

Message Text

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ORIGIN EUR-03

INFO OCT-01 ISO-00 /004 R

66603

DRAFTED BY: EUR/CE:BFLATIN

APPROVED BY: EUR/CE:SGEORGE

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O 101725Z DEC 74 ZFF4

FM SECSTATE WASHDC

TO AMEMBASSY VIENNA NIACT IMMEDIATE

C O N F I D E N T I A L STATE 250628

FOLL REPEAT STATE 250628 ACTION BUCHAREST 13 NOV 74 QUOTE

O C O N F I D E N T I A L STATE 250628

E.O. 11652: GDS

TAGS: PINT, SOCI, ECON, RO

SUBJECT: OSKAR MAUSCHITZ CASE

REF: BUCHAREST 5189

1. DEPARTMENT HAS BEEN REQUESTED TO ENQUIRE ABOUT THE CASE OF AUSTRIAN CITIZEN OSKAR MAUSCHITZ, AN EMPLOYEE OF OEAMAG, RADENTHEIN, AUSTRIA, A WHOLLY OWNED SUBSIDTARY OF U.S. FIRM GENERAL REFRACTORIES CO., 50 MONUMENT ROAD, BALA CYNWYD, PA. (REFTEL). MAUSCHITZ WAS REPORTEDLY ARRESTED BY ROMANIAN POLICE ON OCTOBER 13, 1974 WHEN HE WAS ON A BUSINESS TRIP ON BEHALF OF OEAMAG AND CHARGED WITH INDUSTRIAL ESPIONAGE. EVERETT H. MURRAY, JR., CORPORATE COUNSEL FOR GENERAL REFRACTORIES, VISITED DEPARTMENT NOVEMBER 12 AND REQUESTED OUR ASSESSMENT OF IMPLICATIONS OF THE CASE FOR HIS FIRM, WHICH HAS BEEN ENGAGED IN PROFITABLE BUSINESS WITH ROMANIA SINCE 1969 AND FORESAW SALES OF REFRACTORY MATERIALS (EMPLOYED IN STEEL INDUSTRY) WORTH ABOUT 5 MILLION U.S. IN 1975 (1974 SALES 1.9 MILLION). MURRAY ALSO REQUESTS APPROPRIATE ASSISTANCE FOR MAUSCHITZ, CONFIDENTIAL

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AN OEAMAG EMPLOYEE OF 20 YEARS. MURRAY HAS PROVIDED

DEPARTMENT WITH FOLLOWING INFO, WHICH HE AUTHORIZES EMBASSY TO USE IN WHATEVER WAY WOULD SEEM BEST ON BEHALF OF MAUSCHITZ AND THE FIRM, WHICH HOPES TO BE ABLE TO GO

ON DOING BUSINESS IN ROMANIA.

2. MAUSCHITZ HAS VISITED ROMANIA AND MANY OTHER EASTERN EUROPEAN COUNTRIES ON BEHALF OF OEAMAG FOR MANY YEARS. MURRAY DESCRIBES HIM AS EXPERIENCED, KNOWLEDGEABLE, AND DISCRETE EMPLOYEE THOROUGHLY FAMILIAR WITH BUSINESS CONDITIONS IN ROMANIA. HE HAS, ACCORDING TO MURRAY, REPEATEDLY VISITED ROMANIA AT REQUEST OF MINERALEXPORT, ROMANIAN FIRM WITH WHICH OEAMAG DOES BUSINESS, AND HAS NEVER VISITED INSTALLATIONS IN ROMANIA EXCEPT ON MINERALEXPORT INVITATION. HE WAS RESPONDING TO SUCH AN INVITATION ON OCTOBER 13 WHEN HE DROVE ACROSS BORDER AT RESITA. HE WAS IMMEDIATELY ARRESTED, INTERROGATED, AND HELD, REPORTEDLY FOR FIFTEEN DAYS BEFORE AUSTRIANS WERE ALLOWED CONSULAR ACCESS. AUSTRIAN GOVERNMENT HAS REPORTEDLY PROTESTED GOR HANDLING OF THE CASE AND MAUSCHITZ HAS NOW BEEN RELEASED FROM PRISON BUT IS AT HOTEL ATHENEE PALACE WITHOUT TRAVEL DOCUMENTATION AND UNDER ORDERS NOT TO TRY TO LEAVE BUCHAREST. WE UNDERSTAND CASE HAS RECEIVED PUBLICITY ON AUSTRIAN TV, WITH WIFE AND DAUGHTER APPEALING FOR HIS RETURN HOME, ETC.

3. FYI. MURRAY SUSPECTS MAUSCHITZ BEING HELD FOR "RANSOM" FOR FOLLOWING REASONS: ON OCTOBER 9 OEAMAG CONCLUDED A CONTRACT FOR SALES IN 1975 OF 16,500 TONS OF REFRACTORY MATERIALS AT A COST OF APPROXIMATELY 5 MILLION U.S. THIS REFLECTED SUBSTANTIAL PRICE INCREASE OF ABOUT 35, OCCASIONED MAINLY BY INCREASED COST OF FUEL OIL REQUIRED FOR PRODUCTION OF THE MATERIAL IN AUSTRIA. MAUSCHITZ WAS THEREUPON INVITED TO ROMANIA AND ARRESTED. MURRAY SAYS OEAMAG UNDERSTANDS THAT SEVERAL SIMILAR INSTANCES IN RECENT MONTHS HAVE OCCURRED WITH GOR EVENTUALLY ASSESSING STIFF "FINES" FOR ALLEGED "ECONOMIC DAMAGE" INFLICTED BY THE "ESPIONAGE". ACCORDING TO MURRAY, AMOUNT OF "ECONOMIC DAMAGE" SUPPOSEDLY INFLICTED BY MAUSCHITZ IS NOW BEING "CALCULATED" BY GOR.

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4. MURRAY ACKNOWLEDGES THAT HE IS NOT AWARE OF ALL THE FACTS IN THE CASE, BUT HE POINTS OUT THAT IF MAUSCHITZ HAS DONE NOTHING OUT OF THE ORDINARY, THIS SORT OF BEHAVIOR BY ROMANIAN AUTHORITIES WOULD MAKE IT IMPOSSIBLE FOR OEAMAG TO CONTINUE TO DO BUSINESS THERE, WHICH WOULD BE REGRETTABLE. MURRAY WOULD GREATLY APPRECIATE EMBASSY'S BEST INFORMATION ON THE CASE AND EMBASSY ASSISTANCE FOR

MAUSCHITZ IF APPROPRIATE.

5. DEPARTMENT CONCURS IN THE ABOVE. ASSUME EMBASSY WILL
COORDINATE ANY STEPS WITH AUSTRIAN EMBASSY THERE. PENDING

RECEIPT OF FULLER INFORMATION, WE HAVE NOT DISCUSSED INFO
ON MAUSCHITZ CASE PROVIDED REFTEL WITH MURRAY.
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UNQUOTE KISSINGER

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 10 DEC 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974STATE250628
Document Source: CORE
Document Unique ID: 00
Drafter: EUR/CE:BFLATIN
Enclosure: n/a
Executive Order: RR
Errors: N/A
Film Number: n/a
From: SECSTATE WASHDC
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19741245/aaaabmmr.tel
Line Count: 125
Locator: TEXT ON-LINE
Office: ORIGIN EUR
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 74 BUCHAREST 5189
Review Action: RELEASED, APPROVED
Review Authority: golinofr
Review Comment: n/a
Review Content Flags:
Review Date: 26 MAR 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <26 MAR 2002 by shawdg>; APPROVED <28 MAY 2002 by golinofr>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: OSKAR MAUSCHITZ CASE
TAGS: PINT, SOCI, ECON, RO
To: VIENNA
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005